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IN THE

Supreme Court of the United States

October Term, 1965

No. 354

S. W. FARBER, INC.,

Petitioner,

v.

TEXAS INSTRUMENTS, INCORPORATED,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT AND APPENDICES

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TABLE OF ABBREVIATIONS

P—a	Petitioner's appendix to brief filed in the Court of Appeals
SP—a	Petitioner's supplemental appendix filed in the Court of Appeals
D—b	Respondent's Appendix to brief filed in the Court of Appeals
PX	Petitioner's exhibit
DX	Respondent's exhibit
App. —	Appendix to this Petition

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TEXAS INSTRUMENTS, INCORPORATED,

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PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

To the Honorable Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

Your petitioner, S. W. Farber, Inc., prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Third Circuit entered in this case on April 20, 1965.

Citations to Opinions Below

The first opinion of the District Court, printed in Appendix A hereto, *infra,* pp. 15-29, is reported at 211 F. Supp. 686. The second opinion of the District Court, printed in Appendix B hereto, *infra,* pp. 30-45, is reported at 230 F. Supp. 883. The judgment appealed to the Court of Appeals is printed in Appendix C hereto, *infra,* pp. 46-47.

The opinion of the Court of Appeals, printed in Appendix D hereto, *infra,* p. 48, is reported at 344 F. 2d 957.

Jurisdiction

The judgment of the Court of Appeals was entered on April 20, 1965, Appendix E, p. 49, *infra.* The jurisdiction of this Court is invoked under 28 U. S. C. Section 1254(1).

Question Presented

In affirming the judgment of the District Court which held petitioner's patent invalid, did the Court of Appeals properly apply the test of patentability set forth in 35 U. S. C. Section 103 to the facts found by the District Court?

Statutory Provisions Involved

Title 35 of the United States Code provides, in its pertinent parts:

"Sec. 101. Inventions Patentable

"Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title. (R.S. 4886; 35 U.S.C., 1946 ed., 31.)

"Sec. 102. Conditions for patentability; novelty and loss of right to patent

"A person shall be entitled to a patent unless—

"(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

"(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States,

* * *

"(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

"(f) he did not himself invent the subject matter sought to be patented,

* * *

"Sec. 103. Conditions for patentability; non-obvious subject matter

"A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences be-

tween the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

"**Sec. 282. Presumption of validity; defenses**

"A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it.

"The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

* * *

"(2) Invalidity of the patent or any claim in suit on any ground specified in part II of this title as a condition for patentability,

* * *"

Statement

Petitioner is the owner of United States Letters Patent No. 2,926,230 ('230), granted February 23, 1960, in the name of Hoyt K. Foster (Foster), for an invention relating to an improved detachable electrical connector and temperature regulator for electrically controlled heating devices, such as cooking utensils.

The detachable thermostatic connector of the patent serves to connect the heating element of the utensil with a source of electrical power, and, at the same time, thermostatically controls the temperature of the utensil. The

'230 patent describes and illustrates the invention as used with an electrically heated frypan.

The detachable temperature regulating connector of Foster's invention possesses a relatively long thermal element which may be placed well into the heat zone to detect and sense the temperature of the utensil. The relatively long tubular element, being part of the thermostat assembly, is thereby in position to determine the temperature for itself, rather than to have the temperature sent back to it through feelers or conducting wires.

Prior to Foster's invention of the '230 patent, there were two types of thermostatically controlled frypans on the market, neither of which could be completely immersed for washing purposes. One type could not be immersed in water at all. The other type could be immersed only up to a temperature dial on the handle and carried a notice to that effect (App. 32). Foster recognized the desirability of an electrically heated, thermostatically controlled frypan which could be completely immersed in water for washing purposes without damaging the frypan, the electrical heating element or the thermostatic controller. Foster's detachable connector overcame the problem inherent in the two known types of frypan constructions then being marketed and made possible the fully immersible electrified frypan, now a well-known household utensil.

Petitioner brought this action against respondent for infringement of the '230 patent in the District Court for the District of Delaware. Jurisdiction was based upon 28 U. S. C. 1338(a) (App. 31).

In its answer, respondent denied infringement, denied the validity of the '230 patent, and affirmatively alleged that the subject matter of the patent substantially, if not entirely, originated with persons associated with respondent. Respondent also asserted two counterclaims, the first of which sought a declaratory judgment that the '230 patent was invalid and not infringed, or, alternatively, that the invention of the '230 patent was made, in whole or in part, by persons associated with respondent. The second counterclaim alleged acts of unfair competition and sought damages therefor. Jurisdiction of the counterclaims was based upon 28 U. S. C. Sections 2201-2202 and Section 1338, respectively (App. 31).

The District Court held a separate trial on the question of authorship of the invention of the '230 patent and held that the invention claimed by the '230 patent had not been made, in whole or in part, by persons associated with respondent (App. 15-29).

In January, 1964, the District Court held a second trial which dealt with the validity of the '230 patent and the other issues remaining after the District Court's first decision. The parties agreed that Claims 2 and 4 of the patent were typical; that if Claims 2 and 4 are valid, all claims were valid; that if Claims 2 and 4 are invalid, all claims were invalid (App. 31). Respondent admitted infringement if the patent were valid.

The District Court found that,

(1) a need for a fully immersible, electrified frypan existed and the connector of the '230 patent filled

that need by making such a frypan possible (App. 32, 42);

(2) the use of a detachable temperature regulating connector as the means for obtaining the desired result of full immersibility was original with Foster (App. 32);

(3) the specific connector of the '230 patent having a probe for sensing the temperature was also original with Foster (App. 32-34);

(4) the connector of the '230 patent came into widespread use, was adapted by industry, and achieved commercial success (App. 42);*

(5) the function performed by the structure disclosed in the '230 patent was new and useful (App. 41); and

(6) the patent was presumptively valid, and the statutory presumption of validity was enhanced by the fact that the patents relied upon by the Court in invalidating petitioner's patent had been cited in the Patent Office against the '230 patent (App. 42).

Despite these findings, the District Court held the '230 patent invalid under 35 U. S. C. Section 103, because it considered that the differences between the claims of the patent and the prior art were such that the subject matter of the patent, as a whole, would have been obvious to a person having ordinary skill in the art to which the sub-

* Prior to trial, respondent stipulated that "The structure disclosed and claimed in United States Letters Patent No. 2,926,230 has come into widespread use" (P72a).

ject matter of the patent pertained. The Court invalidated the patent solely upon the basis of Section 103 and did not consider the other defenses of invalidity.

The Court granted the first counterclaim to the extent of adjudging the patent invalid, and dismissed, on the merits, the counterclaim alleging unfair competition by petitioner (App. 46-47). No appeal was taken from the dismissal of this counterclaim. In rendering its opinion, the Court incorporated by reference the findings of fact and conclusions of law stated in its first opinion (App. 30-31).

On appeal, petitioner asserted that the District Court had not applied the correct and controlling standard of patentability, set forth in 35 U. S. C. Sections 101 and 103, to the facts found by it. However, the Court of Appeals affirmed, *per curiam*.

Reasons for Granting the Writ

The decision of the Court of Appeals raises an important question of federal law which has not been, but should be, settled by this Court.

Section 103, by its terms, requires three determinations:

(1) what the prior art was;

(2) whether differences exist between the prior art and the subject matter of the patent; and

(3) whether that subject matter, as a whole, would have been obvious to a person having ordinary skill in the art to which the subject matter pertains.

When Section 103 is the only statutory provision under consideration, as is the case here, the Statute provides that an invention is patentable when it has been determined that it is *new, useful,* and *not obvious.*

The *per curiam* opinion of the Court of Appeals does not express that Court's views on the standard of patentability to be applied under Section 103. The standard applied in this case is contained in the District Court's opinion, which the Court of Appeals affirmed.

In its opinion, the District Court, in accordance with Section 103, ascertained what the prior art was and determined that differences existed between the invention of the '230 patent and that prior art (App. 42). It also determined that the invention was "new and useful" (App. 41). The Court concluded, however, that the patent was invalid, because, in its opinion, the subject matter, as a whole, would have been obvious to a person having ordinary skill in the art to which the '230 patent pertains (App. 42).

The Court stated its views on the test of patentability in the following language (App. 41-42):

> "Plaintiff concedes that all of the structural elements found in claims 2 and 4 of the 230 patent were known before Foster conceived of his alleged invention. The conjunction or concert of known elements must contribute something. Only when the whole in some way exceeds the sum of its parts is the accumulation of old devices patentable. This is established doctrine. *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U. S. 147, 152 (1950). There, a patent consisting of a combination of me-

chanical elements was held to be invalid because the combination had not resulted 'in any unusual or surprising consequences,' 340 U. S. at 152. The same thing is true of the combination of elements disclosed in claims 2 and 4 of the 230 patent. The Burch thermal element works in precisely the same manner regardless of whether it is in or out of the structure of the 230 patent. It would also work in the same way if it were in the Ross patent.

It may be conceded that the function performed by the structure disclosed in the 230 patent was 'new and useful'. This, however, is not enough to make it patentable. Under 35 *U. S. C.* §101 'invention' or 'discovery' is a prerequisite to patentability. See *Cuno Corp.* v. *Automatic Devices Corp.*, 314 U. S. 84, 90 (1941) decided under 35 *U. S. C.* §31; *R. S.* §4886, the forerunner of §101 of 35 *U. S. C.* In *Chemical Construction Corp.* v. *Jones & Laughlin Steel Corporation*, 311 F. 2d 367, 371 (3rd Cir. 1962), the Court stated that the *Great Atlantic & Pacific Tea Co., Cuno Engineering Corporation,* and other Supreme Court cases had established a 'high standard' of inventiveness which was required to warrant the issuance of a patent. Claims 2 and 4 fail to meet that standard.

"Plaintiff points out that both the Ross and Burch patents were cited in the Patent Office against the 230 patent but nevertheless the subject matter of 230 was held to be patentable. Admittedly, this enhances the presumption of validity which arose when the patent issued. *Hartford National Bank & Trust Co.* v. *E. F. Drew & Co., Inc.*, 133 F. Supp. 648, 652 (D. Del. 1955), aff'd. 237 F. 2d 594 (3rd Cir. 1956). But this circumstance is not of controlling significance. The standard of inventiveness employed by the patent office is far below that applied by the courts. *Picard* v. *United Aircraft Corporation*, 128 F. 2d 632, 641 (2nd Cir.

1942), cert. den., 317 U. S. 651 (1942). The category of patented unpatentables has been held to be large. *Packwood* v. *Briggs & Stratton Corp.*, 195 F. 2d 971, 974 (3rd Cir. 1952), cert. den. 344 U. S. 844 (1952).

"Plaintiff likewise stresses the fact that the structure disclosed and claimed by Foster has come into widespread use, been adapted by industry, and achieved commercial success. Commercial success, however, without invention will not make patentability. *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp., supra,* p. 153."

In view of the Court's findings as to the novelty, utility and success of the Foster invention, the patent clearly would have been held valid, but for the application of the erroneous standard.

This Court recently has granted petitions for writ of certiorari in the following cases (October 1965 Term):

No. 11, *William T. Graham and Graham Plow, Inc.* v. *John Deere Company of Kansas City and Deere & Company;*

No. 37, *Calmar, Inc.* v. *Cook Chemical Co.;*

No. 43, *Colgate-Palmolive Co.* v. *Cook Chemical Co.;*

No. 55, *United States* v. *Adams, et al.*

All of these cases involve the same question presented by this petition, that is, the proper standard of patentability established by the Patent Act of 1952.

The standard of patentability which has been applied in the present case is markedly similar to the standard of patentability enunciated by the Court of Appeals for the

Eighth Circuit in No. 11, *William T. Graham and Graham Plow, Inc.* v. *John Deere Company of Kansas City and Deere & Company*, which is to be reviewed by this Court. In the *Graham* case, the Court of Appeals for the Eighth Circuit said:

> "Seemingly, the trial court failed to apply the more exacting standard which in our view is implicit in the teachings of the Supreme Court in Cuno Engineering Corporation, supra, 314 U. S. 84, 62 S. Ct. 37 and Great A. & P. Tea Co., supra, 340 U. S. 147, 71 S. Ct. 127, and which we have applied in numerous cases subsequent thereto." 333 F. 2d 529, 534

The similarity between the standard applied by the Eighth Circuit Court of Appeals, in the decision to be reviewed in No. 11, with that applied by the District Court in this case is readily apparent.

The views of the Court of Appeals for the Third Circuit in the present case and the Court of Appeals for the Eighth Circuit in the *Graham* case (No. 11), though apparently in harmony with each other, represent an improper return to the standard of patentability prevailing prior to enactment of the Patent Act of 1952.

The several *amicus curiae* briefs which have been filed in the *Graham* case have presented, in detail, the legislative history of Section 103 of the Act, and, for that reason, this legislative history will not be repeated here. Petitioner submits that this Court, by exercising its corrective jurisdiction in the *Graham* case, will rectify the error committed by the Eighth Circuit Court of Appeals. Since essentially the same question as is presented by this peti-

tion will be considered by the Court in its review of the cases cited above, this petition for writ of certiorari should be granted.

Conclusion

For the foregoing reasons, this petition for writ of certiorari should be granted.

Respectfully submitted,

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